30 November 2021 **AIM: RENE**

ReNeuron Group plc
("ReNeuron" or "the Company")

Interim Results for the six months ended 30 September 2021

ReNeuron Group plc (AIM: RENE), a UK based leader in Stem Cell and Exosome Technologies, announces its interim results for the six months ended 30 September 2021.

OPERATIONAL HIGHLIGHTS

hRPC stem cell therapy candidate for retinal disease

- In June, enrolment into the higher dose phase 2a extension study was temporarily suspended due to a presumed case of bacterial interocular infection
- Following a completed investigation, and with Data and Safety Monitoring Board approval, by October the study was reopened in all geographies
- First subject, post lifting of the suspension, was treated in mid-October with early data from the extension study expected in late Q1 2022

Exosomes platform

- Seven collaborations now proceeding with global pharma, biotech and academic institutions, with more expected in the coming 12 months
- Pre-clinical data indicates that ReNeuron's Exosome drug delivery technology can effectively deliver therapeutic proteins to the brain to potentially treat neurological diseases

Other operational updates

- Collaboration signed with University College London (UCL) investigating the use of ReNeuron's induced pluripotent stem cell (iPSC) platform to potentially generate CAR-T and/or CAR-NK cells
- Positive data from a separate UCL collaboration demonstrating that ReNeuron's iPSCs can be differentiated into Schwann cells with potential applications such as peripheral nerve damage repair

Corporate and Organisational Development

- In July Iain Ross was appointed as Non-Executive Chairman with Dr Tim Corn stepping down but continuing to serve as Non-Executive Director. Additionally Barbara Staehelin joined the board as Senior Independent Non-Executive Director
- In May Dr Stefano Pluchino joined the executive team as Chief Scientific Officer
- Post period end in October 2021, Catherine Isted, ACMA, joined the Board, replacing Michael Hunt as Chief Financial Officer
- In October 2021, following nearly 9 years of service to the board, Professor Sir Chris Evans OBE stood down as a Non-Executive Director, remaining as an adviser to the Board

FINANCIAL HIGHLIGHTS

- Revenue for the period of £58,000 relating to royalty income (H1 2020: £41,000)
- Loss for the period of £5.2 million (H1 2020: loss of £7.1 million) driven by lower costs
- Reduced costs incurred in the period of £6.1 million (H1 2020: £7.9 million) primarily driven by lower R&D spend following cessation of the Company's stroke disability programme
- Increased net cash used in operating activities of £4.6 million (H1 2020: £2.6 million) with H1 2020 benefitting from a £2.9m R&D tax credit receipt
- Cash, cash equivalents and bank deposits at 30 September 2021 of £17.4 million (31 March 2021: £22.2 million) providing at least a 12-month runway

Olav Hellebø, Chief Executive Officer, said:

"The temporary suspension of our retinitis pigmentosa programme was an unexpected challenge in the first half of 2021, but with recruitment now resumed we look forward to reporting results from the high dose extension part of this phase 2a trial. Meanwhile, exosomes are becoming an increasingly exciting method for delivering payloads into patients and we are therefore optimistic that we can increase the number of partnerships in this area while continuing to progress our current collaborations toward the clinic. We feel we are in the right place, at the right time, with the right technology to be a leader in exosomes and look forward to providing further updates on our progress as the excitement in this area continues to grow."

Analyst briefing

Olav Hellebø, Chief Executive Officer, Catherine Isted, Chief Financial Officer and Dr Stefano Pluchino, Chief Scientific Officer will be hosting a briefing for analysts which will take place at 85 Gresham Steet, London EC2R 7HE on Tuesday 30 November 2021 at 13.00 (GMT) / 08:00 EST. A live webcast of the presentation will also be available for those unable to attend the meeting in-person.

For more information and to register to attend the meeting in-person or require the link to the live webcast, please email reneuron@walbrookpr.com or call +44 (0)20 7933 8785.

Investor Briefing

Management will be hosting a live online presentation relating to the interim results via the Investor Meet Company platform at 15.00 (GMT) on Tuesday 30 November. The presentation is open to all existing and potential shareholders.

Investors can sign up to Investor Meet Company for free and register for the presentation here: https://www.investormeetcompany.com/reneuron-group-plc/register-investor

Investors who already follow ReNeuron on the Investor Meet Company platform will automatically be invited.

Enquiries:

ReNeuron	www.reneuron.com/investors
Olav Hellebø, Chief Executive Officer	Via Walbrook PR
Catherine Isted, Chief Financial Officer	
Stifel Nicolaus Europe Limited (NOMAD and Joint Broker)	+44 (0)20 7710 7600
Ben Maddison, Stewart Wallace	
Allenby Capital Limited (Joint Broker)	+44 (0)20 3328 5656
James Reeve/George Payne (Corporate Finance)	
Stefano Aquilino (Sales & Corporate Broking)	
Walbrook PR (Media & Investor Relations)	+44 (0)20 7933 8780 or reneuron@walbrookpr.com
Paul McManus, Alice Woodings	+44 (0)7980 541 893 / +44 (0)7407 804 654

This announcement contains inside information. The person responsible for arranging for the release of this announcement on behalf of the Company is Olav Hellebø, Chief Executive Officer.

About ReNeuron

ReNeuron is a UK based Proprietary Stem Cell and Exosome Technologies company, harnessing its unique stem cell technologies to develop 'off the shelf' treatments for disease with significant unmet needs.

The Company's lead cell therapy candidate is in clinical development for the blindness-causing disease, retinitis pigmentosa. The Company has also out-licensed its CTX programme in stroke disability to Fosun in China.

ReNeuron's stem cell derived proprietary Exosome Technology platform offers a delivery mechanism for a variety of payloads such as siRNA, mRNA, proteins, small molecules and genes. The Company has a growing number of partner collaborations with Global Pharma, Biotech and academic partners in this fast-expanding area of scientific and commercial interest. ReNeuron also has the ability through its conditionally immortalised induced pluripotent stem cell (iPSC) platform to make allogeneic tissue cells of choice and has the potential to produce exosomes with tissue specific targeting ability.

ReNeuron's shares are traded on the London AIM market under the symbol RENE.L. For further information visit www.reneuron.com

This announcement contains forward-looking statements with respect to the financial condition, results of operations and business achievements/performance of ReNeuron and certain of the plans and objectives of management of ReNeuron with respect thereto. These statements may generally, but not always, be identified by the use of words such as "should", "expects", "estimates", "believes" or similar expressions. This announcement also contains forward-looking statements attributed to certain third parties relating to their estimates regarding the growth of markets and demand for products. By their nature, forward-looking also statements involve risk and uncertainty because they reflect ReNeuron's current expectations and assumptions as to future events and circumstances that may not prove accurate. A number of factors could cause ReNeuron's actual financial condition, results of operations and business achievements/performance to differ materially from the estimates made or implied in such forward-looking statements and, accordingly, reliance should not be placed on such statements.

Interim Results for the six months ended 30 September 2021

OVERVIEW

ReNeuron has seen encouraging results from all aspects of its operations with strong progress in its seven Exosome collaborations and the resumption of its retinitis pigmentosa extension study. The exosomes platform has generated significant pre-clinical data in delivery of functional proteins to the brain while the retinitis pigmentosa extension study is expected to produce initial data by late Q1 2022.

In the period ReNeuron welcomed Iain Ross as the Company's new Chairman and also Barbara Staehelin joined the board as the Senior Independent Non-Executive Director. Additionally, in October, Catherine Isted joined ReNeuron as Chief Financial Officer. Financially ReNeuron ended the period with cash of £17.4 million, providing a cash runway of in excess of 12 months and the Company looks forward to the year ahead maximising and building on the foundations of the year to date.

CHAIRMAN'S STATEMENT

Having been appointed as the new Chairman in July 2021, I am absolutely committed to working with an effective Board and management team to accelerate the development of this business and to create realisable value for all shareholders. I have been impressed by the quality of the science, the breadth of the Company's proprietary stem cell based technology platforms and the skills and competencies of our scientific team. Our priority now is to focus on the immediate key growth drivers, including securing long-term industrial partnerships and investing in those assets with inherent and potential realisable value.

Retinitis pigmentosa has a devastating impact on patients' lives and we have been encouraged by the early stage Phase 2a clinical data generated to date. We recognise that the clinical data generated over the next few months will determine the most appropriate strategy to take this programme forward. In addition, our differentiated exosome technology platform presents us with a unique opportunity to compete in an exciting and fast developing sector and as a result we intend to build on the momentum already generated through the partnerships we have established and those we intend to target over the coming months.

Despite the breadth of our stem cell based platforms, if we are to succeed, we need to be prepared to make tough decisions and only progress and invest in those programmes whereby true value can be created. Accordingly, where necessary we will look to share the value creating potential of our assets to secure substantive third-party collaborations, thereby increasing significantly the probability of success in terms of product development and value creation. The Board and management team will continue to assess all opportunities to create value through organic growth but also, as appropriate, explore technology licensing and acquisition opportunities to accelerate and enhance the overall value proposition of our Company.

I look forward to continuing to work with the ReNeuron team and all our stakeholders.

Iain Ross
Chairman

OPERATIONAL REVIEW

hRPC (human retinal progenitor cells) for retinal disease

In the period the Company continued to progress its hRPC therapeutic candidate which is currently undergoing Phase 2a clinical evaluation for the treatment of the inherited blindness-causing disorder retinitis pigmentosa (RP). The study uses a cryopreserved hRPC formulation, enrols subjects with advanced RP with some remaining central vision. A high dose extension study looking to enrol nine subjects is currently ongoing.

In early June 2021, ReNeuron announced that following a successful surgical procedure, the fourth subject enrolled in the extension arm of the study presented with a presumed bacterial intraocular infection in the treated eye which impacted their vision, and was treated initially with an appropriate regimen of antibiotics, to which they responded with clinical improvement. Systemic anti-inflammatory therapy was subsequently added, and the subject continues to improve on this regimen.

As a precaution the Company temporarily suspended the dosing of further subjects in the study while it undertook an investigation into the cause of the event. The origin of the presumed infection is not clear however investigations have shown no evidence of a causal link to the drug product. The conclusions of the investigation were submitted to the Data & Safety Monitoring Board (DSMB) and the DSMB subsequently agreed that the study may proceed. The study was reopened and in early October 2021 following receipt of regulatory approval to restart the study in all geographies.

Post period end in October the Company announced the first subject had been treated at the Oxford eye hospital with other surgeries planned prior to the end of 2021. ReNeuron is looking to enrol the remaining subjects in the extension trial prior to the end of the calendar year, with early efficacy data expected in late Q1 2022.

The data from the extension study and the earlier lower dose cohort will inform the Company as to the preferred dosing based on its efficacy and safety profile, whether sub-retinal delivery provides the optimal efficacy and duration of action and the commercial potential. The data will support the decision whether to move straight into a pivotal trial or whether additional subjects should be treated to garner further sub-retinal data and also whether to investigate further a move into the clinic with an intravitreal dosing regimen.

Exosome Platform

The Company's proprietary exosome platform continues to move from strength to strength. Seven collaborations with global pharma, biotech and academic institutions now use ReNeuron's exosomes as a delivery vehicle for their therapeutic agents targeting the brain and other parts of the body. The whole field of the use of exosomes to deliver various payloads is expanding rapidly and the Company is well positioned to benefit from this growing area of science.

The Company's proprietary cell lines produce a panel of distinct exosome drug delivery candidate tools with commercial potential and combined with the Company's iPSC platform provides an opportunity to generate additional bespoke tissue-specific exosomes. This extensive repertoire of exosome candidates has the potential to target a variety of indications and tissues.

Exosomes produced by the Company's neural stem cell line, CTX, can be manufactured through a fully qualified, xeno-free, scalable process and loaded with a variety of payloads, such as nucleic acids

(including siRNA, mRNA and miRNA), proteins (such as Cas9, antibodies and peptides) as well as small molecules. These exosomes have also been shown to exhibit a natural ability to cross the blood brain barrier.

Post period end in October, the Company announced positive data from its collaboration with the University of Salamanca that provided clear pre-clinical proof-of-concept that ReNeuron's novel exosome drug delivery technology can effectively deliver therapeutic proteins to the specific region of the brain affected by several neurological diseases such as stroke, Parkinson's disease and Huntington's disease. These *in vivo* results are key in showing that ReNeuron's exosome delivery technology offer a striking higher stability, more targeted delivery, and an increase in potency, therefore potentially solving the delivery issues that can be experienced with therapeutic proteins.

Major pharmaceutical companies have identified therapeutic proteins that are effective in treating a variety of neurological diseases. However, there are major issues associated with the delivery of these protein therapeutics, which include the poor stability in living organisms, given that proteins rapidly break down and do not last long in the body; as well as issues surrounding poor tissue distribution due to an inability to target specific tissues. Whilst these issues cannot be overcome by simply administering more protein, as this can have unwanted side-effects, ReNeuron believes that its proprietary exosomes have the potential to address both these issues due to their natural tissue-targeting ability and superior stability characteristics (as evidenced from Reneuron's pre-clinical studies).

ReNeuron looks to expand the number of partner programmes utilising its exosome technology platform and will continue to invest in expanding this platform to best meet partner needs.

Other Operational updates

While earlier stage than the Exosomes platform, ReNeuron continues to process development of the CTX cell-based Induced Pluripotent Stem Cell (iPSC) technology platform in a number of potential applications and are deploying this technology to develop new, immortalised allogeneic cell lines of varying types as potential therapeutic agents in diseases of unmet medical need.

ReNeuron's CTX-iPSCs can be differentiated into hematopoietic stem cells, lymphoid progenitors and, of great interest for cancer immunotherapy, NK and killer T-cells. The Company has also produced pancreatic progenitor cells from ReNeuron's CTX-iPSCs and continues to work on the scale up of the production of insulin producing β-islet cells prior to phenotype analysis and confirmation of their glucose responsiveness.

Post period end in October the Company announced that it had entered into a collaboration agreement with UCL to conduct research into the generation of immune cells from iPSCs for anti-cancer cell therapies. ReNeuron will be providing UCL with iPSCs from its CTX immortalised neural progenitor cell line which UCL will use to assess the ability to differentiate into functional T cells and Natural Killer ('NK') cells. If successful, the CXT-iPSC cell lines will be used to generate chimeric antigen ('CAR') T cells and/or CAR-NK cells. Additionally in November a separate collaboration with UCL demonstrated that iPSCs can be differentiated into Schwann cells with potential applications in areas such as peripheral nerve damage repair.

Fosun Pharma continues to develop CTX in stroke disability in China following the out-licence agreement signed with ReNeuron in 2019. The Company continues to look to progress this programme in other geographies though regional partnerships.

Corporate and Organisational Development

During the period, ReNeuron has reconfigured the Board by appointing Iain Ross as Non-Executive Chairman and Barbara Staehelin as Senior Independent Non-Executive Director. Following the appointment of Iain Ross, Dr Tim Corn stepped down as Chairman but continues to serve as a Non-Executive Director. The Company welcomed Dr Stefano Pluchino as Chief Scientific Officer in May 2021 and post period end in October 2021 Catherine Isted, ACMA, joined the Board, replacing Michael Hunt as Chief Financial Officer. Also, in October 2021 Professor Sir Chris Evans OBE stood down as a Non-Executive Director. He will remain as an adviser to the Board.

Outlook

On the Company's programme in retinitis pigmentosa, early data from the Company's extension study is expected in late Q1 2022 and following analysis of this data, the Company will decide on the most appropriate next steps to progress this programme to the next stage.

ReNeuron is encouraged by the progress made on its proprietary Exosomes platform over the last year and the growing excitement in the Exosomes field. The Company looks to capitalise on the potential it sees in this field by progressing its current collaborations and additionally by adding new partner collaborations. The Company will continue to expand its expertise in the Exosomes field organically through internal research but also potentially inorganically if a suitable opportunity arises.

The Company looks forward to the coming 12 months as it continues to build and grow on the foundations and developments achieved in the year to date.

Olav Hellebø
Chief Executive Officer

FINANCIAL REVIEW

During the first half of the financial year costs continue to be closely controlled with spend primarily directed towards progressing the Group's hRPC therapeutic candidate and proprietary exosome platform. The total comprehensive loss for the period reducing to £5.2 million (H1 2020: £7.1 million).

At 30 September 2021, the Group had cash, cash equivalents and bank deposits of £17.4 million providing at least a 12-month runway from the date of this announcement.

FINANCIAL HIGHLIGHTS (£'000)	Six months ended 30 September 2021	Six months ended 30 September 2020	Year ended 31 March 2021
Revenue	58	41	257
Total comprehensive loss	5,234	7,092	11,347
Operating expenses	6,128	7,859	13,249
Net cash used in operating activities	4,599	2,588	6,052
Cash, cash equivalents & bank deposits	17,418	9,768	22,203

Revenue and Other Operating Income

In the six months to 30 September 2021, revenues, which relate to royalty income, were £58,000 (H1 2020: £41,000). No grant income was received in the period. In 2020, £78,000 was received under the Government's Coronavirus Job Retention Scheme and is shown as other operating income.

Operating expenses

Total operating expenses reduced in the period to £6.1million (H1 2020: £7.9 million).

This reduction in costs follows a review of programme priorities and resource requirements, with the Group making the decision to primarily focus its resources on its hRPC therapeutic candidate and proprietary exosome platform following the cessation of the stroke disability programme.

Research and development (R&D) expenditure reduced to £4.3 million (H1 2020: £5.9 million), primarily reflecting the refocussing of activities as described above, together with consequent cost reductions.

General and administrative expenses declined in the period to £1.8 million (H1 2020: £1.9 million). The current year period also included £0.3 million in respect of the cost of a payment in lieu of notice for the former CFO.

Finance income/expense

Finance income represents income received from the Group's cash and investments and gains from foreign exchange, with losses from foreign exchange shown in finance expense.

Finance income was £124,000 in the period (H1 2020: £16,000). The current period includes foreign exchange gains of £112,000 (H1 2020: interest receivable only). In the current period, finance expense solely comprises lease interest of £18,000 (2020: £243,000, which included £225,000 foreign exchange losses).

Taxation

Taxation for the period at £0.7 million primarily comprises R&D tax credit (H1 2020: £0.9 million). The amount of the R&D tax credit reducing in line with the reduction in research and development spend.

Cash flow

Net cash used in operating activities in the period increased to £4.6 million (H1 2020: £2.6 million), the 2020 figure benefitting from an R&D tax credit receipt of £2.9 million due for the financial year ended 31 March 2019.

The Group had cash, cash equivalents and bank deposits totalling £17.4 million as of 30 September 2021 (31 March 2021: £22.2 million), providing at least a 12-month runway from the date of this announcement.

Statement of financial position

Non-current assets – Property, plant and equipment have increased as we invest in equipment to further develop the hRPC drug product manufacturing process.

Current assets – Corporation tax receivable of £2.6 million comprises the amount due from R&D tax credits for the full year ended 31 March 2021 plus the credit due for the current period (2020: £3.8 million). This debtor is lower than 2020 due to the reduction in research and development expenditure following cessation of the stroke programme.

Current liabilities - Trade and other payables at £6.6 million are lower than 30 September 2020 but have increased since the start of the financial year. These movements primarily reflect changes in the level of accruals relating to clinical trials.

Catherine Isted
Chief Financial Officer

Interim Financial Statements

Unaudited Consolidated Statement of Comprehensive Income

for the six months ended 30 September 2021

	Note	**Six months ended 30 September 2021 £'000**	Six months ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Revenue	4	**58**	41	257
Other operating income	6	**-**	78	78
Research and development costs		**(4,340)**	(5,941)	(9,503)
General and administrative costs		**(1,788)**	(1,918)	(3,746)
Operating loss		**(6,070)**	(7,740)	(12,914)
Finance income	7	**124**	16	20
Finance expense	8	**(18)**	(243)	(516)
Loss before income taxes		**(5,964)**	(7,967)	(13,410)
Taxation	9	**730**	875	2,063
Loss and total comprehensive loss for the period		**(5,234)**	(7,092)	(11,347)
Loss and total comprehensive loss attributable to equity owners of the company		**(5,234)**	(7,092)	(11,347)
Basic and diluted loss per ordinary share	10	**(9.2p)**	(22.3p)	(29.0p)

Unaudited Consolidated Statement of Financial Position

as at 30 September 2021

	Note	**30 September 2021 £'000**	30 September 2020 £'000	31 March 2021 £'000
Assets				
Non-current assets				
Property, plant and equipment		**325**	314	213
Right-of-use asset	11	**423**	529	473
Intangible assets		**186**	186	186
		934	1,029	872
Current assets				
Trade and other receivables		**517**	835	444
Corporation tax receivable		**2,565**	3,778	1,832
Investments - bank deposits		**6,000**	-	7,500
Cash and cash equivalents		**11,418**	9,768	14,703
		20,500	14,381	24,479
Total assets		**21,434**	15,410	25,351
Equity				
Equity attributable to owners of the company				
Share capital	12	**569**	319	569
Share premium account	12	**113,925**	97,904	113,904
Capital redemption reserve		**40,294**	40,294	40,294
Merger reserve		**2,223**	2,223	2,223
Accumulated losses		**(142,858)**	(134,111)	(138,085)
Total equity		**14,153**	6,629	18,905
Liabilities				
Current Liabilities				
Trade and other payables		**6,646**	7,987	5,727
Lease liabilities		**145**	159	157
		6,791	8,146	5,884
Non-current liabilities				
Lease liabilities		**490**	635	562
		490	635	562
Total liabilities		**7,281**	8,781	6,446
Total equity and liabilities		**21,434**	15,410	25,351

Unaudited Consolidated Statement of Changes in Equity

for the six months ended 30 September 2021

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Merger reserve £'000	Accumulated losses £'000	Total Equity £'000
As at 1 April 2020	**318**	**97,890**	**40,294**	**2,223**	**(127,502)**	**13,223**
Exercise of employee share options	1	14	-	-	-	15
Credit on share-based payment	-	-	-	-	483	483
Loss and total comprehensive loss for the period	-	-	-	-	(7,092)	(7,092)
As at 30 September 2020	**319**	**97,904**	**40,294**	**2,223**	**(134,111)**	**6,629**
Issue of share capital	250	17,229	-	-	-	17,479
Transaction costs	-	(1,237)	-	-	-	(1,237)
Exercise of employee share options	-	8	-	-	-	8
Credit on share-based payment	-	-	-	-	281	281
Loss and total comprehensive loss for the period	-	-	-	-	(4,255)	(4,255)
As at 31 March 2021	**569**	**113,904**	**40,294**	**2,223**	**(138,085)**	**18,905**
Exercise of employee share options	-	21	-	-	-	21
Credit on share-based payment	-	-	-	-	461	461
Loss and total comprehensive loss for the period	-	-	-	-	(5,234)	(5,234)
As at 30 September 2021	**569**	**113,925**	**40,294**	**2,223**	**(142,858)**	**14,153**

Unaudited Consolidated Statement of Cash Flows

for the six months ended 30 September 2021

	Note	**Six months ended 30 September 2021 £'000**	**Six months ended 30 September 2020 £'000**	Year ended 31 March 2021 £'000
Cash flows from operating activities				
Cash used in operations	13	**(4,578)**	**(5,493)**	(12,075)
Overseas taxes paid		**(3)**	**(3)**	(5)
Income tax credit received		**-**	**2,926**	6,061
Interest paid		**(18)**	**(18)**	(33)
Net cash used in operating activities		**(4,599)**	**(2,588)**	(6,052)
Cash flows from investing activities				
Capital expenditure		**(238)**	**(3)**	(25)
Interest received		**3**	**23**	27
Net cash (used in)/generated by investing activities		**(235)**	**20**	2
Cash flows from financing activities				
Proceeds from the issue of ordinary shares		**21**	**15**	17,502
Transaction costs		**-**	**-**	(1,237)
Bank deposits matured/(placed)		**1,500**	**-**	(7,500)
Lease payments		**(84)**	**(79)**	(154)
Net cash generated by/(used in) financing activities		**1,437**	**(64)**	8,611
Net (decrease)/increase in cash and cash equivalents	14	**(3,397)**	**(2,632)**	2,561
Effect of foreign exchange rates		**112**	**(225)**	(483)
Cash and cash equivalents at the start of period		**14,703**	**12,625**	12,625
Cash and cash equivalents at the end of period	15	**11,418**	**9,768**	14,703

Notes to the Interim Financial Statements

for the six months ended 30 September 2021

1. General information and basis of preparation

ReNeuron Group plc is an AIM listed company incorporated and domiciled in the United Kingdom under the Companies Act 2006. The Company's registered office and its principal place of business is Pencoed Business Park, Pencoed, Bridgend CF35 5HY. Its shares are listed on the Alternative Investment Market ("AIM") of the London Stock Exchange.

These Interim Financial Statements were prepared by the Directors and approved for issue on 30 November 2021. They have not been audited.

These Interim Financial Statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 March 2021 were approved by the Board of Directors on 6 August 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain statements under 498 (2) or (3) of the Companies Act 2006.

As permitted, these Interim Financial Statements have been prepared in accordance with UK AIM rules and with International Accounting Standard 34 "Interim financial reporting". They should be read in conjunction with the Annual Financial Statements for the year ended 31 March 2021, which have been prepared in accordance with International Accounting Standards in conformity with the Companies Act 2006 (IFRS) and the applicable legal requirements of the Companies Act 2006.

2. Accounting policies

The accounting policies applied are consistent with those of the Annual Financial Statements for the year ended 31 March 2021, as described in those Annual Financial Statements. Where new standards or amendments to existing standards have become effective during the year, there has been no material impact on the net assets or results of the Group.

3. Going concern

The Group is expected to incur significant further costs as it continues to develop its therapies and technologies through clinical development. The operations of the Group are currently being financed from funds that have been raised from share placings, commercial partnerships and grants.

The Group actively seeks further business development and fundraising opportunities in order to support its ongoing development programmes. The Board places considerable emphasis on communication with shareholders, potential investors and other commercial organisations in order to maximise the chances of success in exploiting these opportunities. The Group had cash, cash equivalents and bank deposits totalling £17.4 million at half year (31 March 2021: £22.2 million).

Based on the above and taking into consideration that certain of the forecast costs within the next 12 months are within the control of the Group, the Directors expect that the Group's current financial resources will be sufficient to support operations for at least the next 12 months from the date of these financial statements and the Directors are continually reviewing options to secure further funding to finance the future needs of the business. The Group therefore continues to adopt the going concern basis in the preparation of these financial statements.

4. Revenue

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Royalty income	**58**	41	89
Income incidental to development activities	**-**	-	168
	58	41	257

Royalty income is derived from the licensed sale of the Group's products to customers in the USA.

Income incidental to development activities relates to fees received under research agreements.

5. Segment information

The Group has identified the Chief Executive Officer as the Chief Operating Decision Maker (CODM). The CODM manages the business as one segment, the development of cell-based therapies. Since this is the only reporting segment, no further information is included. The information used internally by the CODM is the same as that disclosed in the Interim Financial Statements. The Group's revenue derives wholly from assets located in the United Kingdom. Revenue is analysed in note 4 above. Analysed by location of customer all royalty income is derived from the United States of America.

6. Other operating income

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Government grants	**-**	78	78

In the prior period, £78,000 was received under the Government's Coronavirus Job Retention Scheme.

7. Finance income

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Interest received	**12**	16	20
Foreign exchange gains	**112**	-	-
	124	16	20

8. Finance expense

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Lease interest	**18**	18	32
Foreign exchange losses	**-**	225	484
	18	243	516

9. Taxation

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
R & D tax credit	**733**	878	2,068
Foreign taxation	**(3)**	(3)	(5)
	730	875	2,063

10. Basic and diluted loss per share

The basic and diluted loss per share is calculated by dividing the loss for the financial period of £5,234,000 (September 2020: £7,092,000, March 2021: £11,347,000) by 56,907,676 shares (September 2020: 31,846,537 and March 2021: 39,128,925 shares), being the weighted average number of ordinary 1p shares in issue during the period. Potential ordinary shares are not treated as dilutive as the entity is loss-making.

11. Right-of-use-asset

	30 September 2021 £'000	30 September 2020 £'000	31 March 2021 £'000
At beginning of the period	**473**	591	591
Additions	**-**	-	-
Depreciation charge	**(50)**	(62)	(118)
At end of the period	**423**	529	473

The net book value of the underlying assets is as follows:

(124)461	**30 September 2021 £'000**	30 September 2020 £'000	31 March 2020 £'000
Land and buildings	**421**	516	469
Computer and office equipment	**2**	13	4
At end of the period	**423**	529	473

12. Share capital and share premium

	Number of shares	Share capital £'000	Share premium £'000	Total £'000
As at 30 September 2020	31,874,324	319	97,904	98,223
Issue of new shares – equity fund raising	24,970,381	250	17,229	17,479
Transaction costs	-	-	(1,237)	(1,237)
Issue of new shares - share options exercised	11,000	-	8	8
As at 31 March 2021	56,855,705	569	113,904	114,473
Issue of new shares - share options exercised	80,697	-	21	21
As at 30 September 2021	**56,936,402**	**569**	**113,925**	**114,494**

13. Cash used in operations

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Loss before income tax	**(5,964)**	(7,967)	(13,410)
Adjustment for:			
Finance income	**(124)**	(16)	(20)
Finance expense	**18**	243	516
Depreciation of property, plant and equipment	**126**	141	262
Depreciation of right-of-use asset	**50**	62	118
Loss on disposal of fixed assets	**-**	-	2
Share-based payment charges	**461**	483	764
Changes in working capital:			
Receivables	**(64)**	(146)	245
Payables	**919**	1,707	(552)
Cash used in operations	**(4,578)**	(5,493)	(12,075)

14. Reconciliation of net cash flow to movement in net debt

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Decrease in cash and cash equivalents	**(3,397)**	(2,632)	2,561
Effect of foreign exchange rates	**112**	(225)	(484)
Lease repayments	**102**	97	187
Lease interest	**(18)**	(18)	(32)
Net funds at start of period	**13,984**	11,752	11,752
Net funds at end of period	**10,783**	8,974	13,984

15. Analysis of net funds

	Six months Ended 30 September 2021 £'000	Six months Ended 30 September 2020 £'000	Year ended 31 March 2021 £'000
Cash and cash equivalents	**11,418**	9,768	14,703
Lease liabilities	**(635)**	(794)	(719)
Net funds	**10,783**	8,974	13,984